



County of Los Angeles  
**CHIEF ADMINISTRATIVE OFFICE**

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012  
(213) 974-1101  
<http://cao.co.la.ca.us>

DAVID E. JANSSEN  
Chief Administrative Officer

August 17, 2005

To: Supervisor Gloria Molina, Chair  
Supervisor Yvonne B. Burke  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: David E. Janssen  
Chief Administrative Officer

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

**SACRAMENTO UPDATE**

**Hearing on Medi-Cal Managed Care Expansion**

A Joint Hearing of the Senate and Assembly Health Committees and Budget Subcommittees on Health and Human Services was held on August 16, 2005 to discuss the Administration's plans to expand Medi-Cal managed care as part of the hospital financing waiver. The State Department of Health Services, the Legislative Analyst's Office, and numerous stakeholders provided testimony at the hearing.

Legislators continued to express their concerns about the State's ability to meet the needs of the aged, blind, and disabled population when they are required to enroll in managed care in January 2007. Assembly Member Hector De La Torre voiced his concern about the financial loss that hospitals will experience under managed care, especially since the Administration has yet to provide public and private safety net hospitals with a financial model which shows how much money these hospitals will receive under the proposed hospital financing waiver.

Stakeholders urged that legislation implementing the managed care expansion/hospital financing waiver should: (1) maintain the existing relationship between patients and doctors to avoid disruption in service; (2) exempt children with disabilities from mandatory enrollment in managed care; (3) provide a choice of providers for beneficiaries; (4) recognize that public hospitals are already key providers to Medi-Cal and indigent patients; and (5) ensure accurate and adequate capitation rates for providers, including hospitals.

Representatives of the Administration announced that the Hospital Financing Waiver's Terms and Conditions was completed, and has been distributed to the hospital industry. They also stated that they are working with the Legislature and the hospital industry on legislation to implement the waiver agreement, and that concerns expressed by stakeholders at the hearing will be considered by the Administration.

Finally, legislators urged the Administration to provide them promptly with proposed language to implement the hospital waiver so that there is sufficient time to debate the legislation in public hearings before the close of session on September 9, 2005.

### **Legislation of County Interest**

**AB 1234 (Salinas)** as amended on August 15, 2005, would allow cities, counties and special districts to compensate government-appointed members of commissions and committees for attendance at meetings, conferences or training events. Allowable expenses may include travel, lodging and meals. Compensation may be provided only if a county board of supervisors, city council or board of directors of a special district has adopted, in a public meeting, a written policy specifying the types of official duties eligible for compensation.

AB 1234 would also require any member of a Board-appointed commission or committee who receives any type of compensation, salary, stipend or reimbursement for any expenses incurred in the performance of their official duties to receive at least two hours of training in general ethics principles every two years. This provision would also apply to local elected officials and County employees designated by the Board of Supervisors to receive this training. Ethics training may be provided in person, online or through self-study materials. The trainer would be required to give participants proof of participation and to keep records of the dates participants completed training for at least five years. These records would be subject to disclosure under the California Public Records Act.

The analysis of AB 1234 prepared for Assembly Local Government Committee notes that this measure was drafted in response to the reports by the State Auditor's Office, newspaper articles, and requests from the public regarding the inappropriate use of local tax dollars. The author's intent is to require local governments to act with more transparency when dealing with issues such as compensation and travel reimbursements.

AB 1234 is supported by the California Association of Counties, the California Fire Chiefs Association, the California Special Districts Association, the Water Replenishment District of Southern California, the American Federation of State, County, Municipal Employees, and numerous local water, recreation, sanitation, and special districts. There is no opposition to this measure.

AB 1234 passed the Assembly on April 21, 2005 by of vote of 71 to 0, and is currently on the Senate Floor.

### **Pursuit of Change of County Position on Legislation**

**County-supported and amend AB 696 (Chu)** was amended in the Senate Appropriations Committee on August 15, 2005 to delete language which would have: 1) eliminated the current SFIS requirement to take photographs of CalWORKs and Food Stamp applicants as a condition of receiving benefits; 2) replaced quarterly reporting in CalWORKs and Food Stamps with semi-annual reporting; 3) provided categorical eligibility to Food Stamp benefits for certain Medi-Cal participants, and hold counties harmless from Food Stamp error rate penalties resulting from implementation of categorical eligibility; 4) simplified Food Stamp eligibility requirements; and 5) required the State to seek a Federal waiver to exempt certain Able-bodied Adults Without Dependents (ABAWD) from the 3-month limit to Food Stamp benefits, at the option of the County. The ABAWD provision was included in SB 68, the Social Services Budget Trailer bill, signed by the Governor on July 19, 2005. AB 696 retains language to eliminate the Statewide Fingerprint Imaging System (SFIS) for Food Stamp only cases.

Since AB 696 has been amended to retain the SFIS photographing requirement, **our Sacramento advocates will support AB 696**. Support is consistent with current Board policy to fund and maintain SFIS for CalWORKs cases and Food Stamp cases with General Relief.

AB 696 passed the Senate Appropriations Committee, as amended, on August 15, 2005 by a vote of 7 to 5, and now proceeds to the Senate Floor.

### **Status of County-Interest Legislation**

**County-supported AB 13 (Goldberg)**, which would establish the California Racial Mascots Act which would prohibit public schools from using the term "Redskins" as a school or athletic team name, mascot, or nickname beginning January 1, 2007, was placed on the Senate Inactive File on August 15, 2005.

**County-supported if amended AB 109 (Chan)**, which would require county First 5 commissions to: 1) adopt policies regarding conflict-of-interest, and contracting and procurement procedures; 2) adopt a limit on the amount of their operating budgets that can be spent on administrative functions; and 3) adopt policies and processes establishing the salaries and benefits of employees of the County Commission, passed the Senate Appropriations Committee on August 15, 2005, and now proceeds to the Senate Floor.

**County-supported AB 327 (De La Torre)**, which would establish a new, voluntary \$50 fee for the issuance or renewal of a physician and surgeon's license certificate for purposes of funding the Steven M. Thompson Physician Corps Loan Repayment Program, passed the Senate Appropriations Committee on August 15, 2005, and now proceeds to the Senate Floor.

**County-supported AB 378 (Chu)**, which would extend from one year to three years the statute of limitation for the commencement of any action seeking penalties for an alleged violation of California's hate crimes statute (Tom Bane Civil Rights Act) was signed by the Governor on July 25, 2005 (Chapter 123), and will become effective January 1, 2006.

**County-supported AB 547 (Berg)**, which would repeal the requirement that a city or county authorize its needle exchange program, through a declaration of a local public health emergency, and would authorize clean needle exchange programs upon the action by a county board of supervisors, and the local health officer or health commission, or upon the action of a city council, the mayor, and the local health officer, passed the Senate Appropriations Committee on August 15, 2005, and now proceeds to the Senate Floor.

**County-opposed AB 761 (Jones)** was placed on the Senate Appropriations Committee's Suspense File on August 15, 2005, because of potential increased costs to the State's General Fund. AB 761 would require general acute care hospitals, acute psychiatric hospitals, and special hospitals, when determining staffing levels, to consider guidelines developed by relevant professional associations, if those guidelines have been peer reviewed or based on scientific or medical evidence. These hospitals would be required to submit a written annual report to the State Department of Health Services citing the process/factors it used to determine staffing levels, and the steps it took to reduce patient and worker injuries.

**County-supported AB 783 (Jones)**, which would require the State to pay for expenses incurred by local governments, on or after January 1, 2005, in the preparation and conduct of elections proclaimed by the Governor to fill a vacancy in the office of a Senator or Member of the Assembly, or the office of a United States Senate or Representative in Congress, was placed on the Senate Appropriations Committee Suspense File on August 15, 2005. There has been some discussion about amending AB 783 to pay the cost of the November 2005 special election; however, that could jeopardize the current provisions of this measure.

**County-supported AB 862 (Bass)**, which would direct the State Department of Corrections and Rehabilitation to provide information on how to modify child support orders to every inmate who is a parent of a minor, passed the Senate Appropriations Committee on August 15, 2005, and now proceeds to the Senate Floor.

**County-supported AB 889 (Ruskin)**, which would continue the authority of counties to collect registration fees for commercial weighing and measuring devices through January 1, 2011, revise various fee schedules, and standardize the way county point-of-sale (scanner) inspection programs operate, passed the Senate Appropriations Committee on August 15, 2005, and now proceeds to the Senate Floor.

**County-supported AB 1252 (Pavley)**, which would authorize the County to designate Mulholland Highway as an official County Scenic Highway, passed the Senate on August 15, 2005 by a vote of 34 to 0, and now proceeds to the Governor.

**County-sponsored AB 1285 (Montañez)**, which would expand eligibility for participation in the Investing in Early Educators stipend program to include persons who are working in family child care home education networks, licensed child care centers, and licensed family child care homes serving a majority of state-subsidized families, was amended in the Senate Appropriations Committee on August 15, 2005, to specify that the training stipends shall be targeted to providers working in programs in which a majority of children receive subsidized child care services. AB 1285 was placed on the Senate Appropriations Committee's Suspense File.

**County-supported AB 1333 (Frommer)**, which establishes criminal penalties for the illegal disposal and transportation of grease waste materials, was amended in the Senate Appropriations Committee to: 1) prohibit the discharge of grease into any waters of the State; and 2) delete language which would have made it an offense to dispose of removed grease in a land treatment unit at which waste is incorporated into soil so that it is degraded, transformed or immobilized. AB 1333 passed the Senate Appropriations Committee on August 15, 2005, and now proceeds to the Senate Floor.

**County-supported AB 1380 (Gordon)**, which would require the California Public Utilities Commission (CPUC) to request that the Federal Communications Commission authority for California establish rules to ensure compliance for calculating the six-month inventory of telephone numbers, passed the Senate Appropriations Committee on August 15, 2005, and now proceeds to the Senate Floor.

**County-supported AB 1511 (Evans)**, which would authorize the County of Los Angeles and several other counties to employ the design/build contracting method for the construction of public buildings, passed the Senate Appropriations Committee on August 15, 2005, and now proceeds to the Senate Floor.

**County-supported AB 1565 (Pavley)**, which would authorize the California Children and Families Commission (CCFC), in coordination with the California Department of Education (CDE), the State Department of Social Services (CDSS), and other interested parties to develop a proposal for creating a statewide voluntary star-quality rating system for child day care facilities, was amended in the Senate Appropriations Committee on August 15, 2005.

As amended, AB 1565 would require the CDE to conduct a pilot program, in three to seven counties, to develop and evaluate a statewide quality rating system for licensed child care providers. The pilot would be conducted by an independent contractor in consultation with the Legislative Analyst's Office (LAO), the California Department of Finance (DOF), and the CCFC. Once the contract is established, the contractor, in consultation with CDE, would select an advisory group comprised of one member of the following entities; CDE, CDSS, CCFC, DOF, LAO, Child Care Resource and Referral Network, California Alternative Payment Providers Association, Local Child Care Planning Council Coordinators Association, a child care provider organization, a national child care accrediting organization, a parent child care consumer, a child care legal advocacy organization, the Speaker's office, and the Senate President Pro Tempore. A stakeholder group would also be established to provide input on the pilot. The quality rating system pilot must be implemented by February 1, 2007. The contractor must provide the Legislature with an initial report on the pilot findings by April 30, 2008, and a final report by April 30, 2009. The bill appropriates \$7.7 million for the pilot project. AB 1565 was placed on the Senate Appropriations Suspense File.

**County-sponsored AJR 22 (Bass)**, which would ask the Congress and the President to adopt an exemption to the confidentiality provisions of the Family Educational Rights and Privacy Act so that county child death review teams may access student records, was approved on consent by the Senate Judiciary Committee on August 16, 2005, and now proceeds to the Senate floor.

**County-supported SB 1018 (Simitian)**, which would add officers and employees of financial institutions, including banks, credit unions, and savings and loans, to those designated as mandated reporters of financial abuse perpetrated against elder and dependent adults, passed the Senate on August 15, 2005 by a vote of 24 to 11, in concurrence with amendments taken by the Assembly, and now proceeds to the Governor.

We will continue to keep you advised.

DEJ:GK  
MAL:JF:DS:SZ:MS:VE:MR:ib

c:     Executive Officer, Board of Supervisors  
        County Counsel  
        Local 660  
        All Department Heads  
        Legislative Strategist  
        Coalition of County Unions  
        California Contract Cities Association  
        Independent Cities Association  
        League of California Cities  
        City Managers Associations  
        Buddy Program Participants